



October 21, 2019

Honourable Doug Donaldson,
Minister of Forests, Lands, Natural Resource Operations and Rural Development,
P.O. Box 9049, Stn Prov Govt,
Victoria, BC V8W 9E2

Dear Minister Donaldson,

Re: Reallocation of BC Rural Dividend Funds

The BC Rural Dividend was developed to assist rural communities, both Indigenous and non-Indigenous, to strengthen their local economies. It was developed to recognize both the contribution rural communities have made to B.C.'s economy, and the unique challenges they face to diversify beyond natural resources.

The Government of B.C. has recently announced that it has suspended the program in order to reallocate \$25 million to those communities impacted by the recent mill closures and curtailments associated with the contraction of the Province's forest industry.

Considering the intent of the Rural Dividend Program is to provide funding to support economic diversification beyond resource dependence in rural, remote and Indigenous communities that are currently forest dependent, we feel that it is counter-productive at this difficult time to suspend a program that is specifically targeted at improving the viability of rural, resource-based communities. The program has been effective at diversifying local economies and enabling local governments to deliver important projects. It is not the time to pull this important funding support from rural communities in BC.

We respectfully request that the Government of BC reconsider its decision to reallocate funding from the Rural Dividend Program and identify an alternate source of funds to support communities impacted by mill closures and curtailments so it may simultaneously maintain the Rural Dividend Program and deliver the additional supports that those communities require to maintain their viability. As evidenced by the broad support for the late resolution passed by the UBCM membership at the 2019 Convention on this issue, local governments throughout BC view the Rural Dividend program as an important catalyst to the diversification of BC's rural economy.



Industry analysts and rural communities alike have anticipated for years that the forest industry would have to transition from high-volume, Mountain Pine Beetle salvage operations to a smaller and more value-focused industry in balance with post-beetle timber supply. The BC Rural Dividend was established to address that eventuality. If additional supports are required for communities, beyond the BC Rural Dividend, we urge the Province to seek out other sources of revenue rather than withdrawing funds from an existing program that is already successfully providing vital support to those rural communities most in need.

Thank-you for your time and attention to this matter. We look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Roly Russell', with a long horizontal flourish extending to the right.

Roly Russell, Chair
Regional District of Kootenay Boundary

cc: Honourable John Horgan, Premier;
Donna Barnett, MLA, Official Opposition Critic for Rural Development;
Union of BC Municipalities Executive;
BC Regional Districts